

Washington State Auditor's Office

Audit Report

Audit Services

Report No. 58746

CITY OF MUKILTEO

Snohomish County, Washington

January 1, 1996 Through December 31, 1996

Issue Date: January 2, 1998

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CITY OF MUKILTEO
Snohomish County, Washington
January 1, 1996 Through December 31, 1996

Independent Auditor's Report On Compliance With State
Laws And Regulations

The Honorable Brian Sullivan, Mayor
City of Mukilteo
Mukilteo, Washington

We have audited the general-purpose financial statements, as listed in the table of contents, of the City of Mukilteo, Snohomish County, Washington, as of and for the fiscal year ended December 31, 1996, and have issued our report thereon dated October 8, 1997.

We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the city complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the city's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance, or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the city and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the city complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the city had not complied, in all material respects, with those provisions.

This report is intended for the information of management and the mayor and city council and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

BRIAN SONNTAG, CGFM
STATE AUDITOR

October 8, 1997

CITY OF MUKILTEO
Snohomish County, Washington
January 1, 1996 Through December 31, 1996

Status Of Prior Findings

The finding contained in the prior audit report was resolved as follows:

1. City Officials Should Not Grant Extra Compensation After Services Have Been Rendered

Resolution: *This has been resolved.*

CITY OF MUKILTEO
Snohomish County, Washington
January 1, 1996 Through December 31, 1996

**Independent Auditor's Report On Financial Statements And Additional
Information**

The Honorable Brian Sullivan, Mayor
City of Mukilteo
Mukilteo, Washington

We have audited the accompanying general-purpose financial statements of the City of Mukilteo, Snohomish County, Washington, as of and for the fiscal year ended December 31, 1996, as listed in the table of contents. These financial statements are the responsibility of the city's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as described in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The city has excluded the general fixed asset account group and the proprietary fund fixed assets and related depreciation in the accompanying December 31, 1996, balance sheet. This is a departure from generally accepted accounting principles. We were unable to determine the amounts that should be presented for fixed assets and depreciation through other audit procedures. The principal effects of this departure on the financial statements are not reasonably determinable.

The city has accounted for proprietary funds on a modified accrual basis. This is a departure from generally accepted accounting principles, which require that proprietary funds be accounted for on a full accrual basis. The principal effects of this departure on the financial statements are not reasonably determinable through other audit procedures.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary and had we been able to determine the balances of the general fixed asset accounts group and the proprietary fund fixed assets and related depreciation and had we been able to apply other audit procedures to determine the effects of accounting for the proprietary funds on a modified accrual basis, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Mukilteo, at December 31, 1996, and the results of its operations and cash flows of its proprietary fund types for the fiscal year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of State and Local Financial Assistance listed in the table of

contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

BRIAN SONNTAG, CGFM
STATE AUDITOR

October 8, 1997